

The circulation has increased rapidly in recent years. The amount on December 31, 1907, was the minimum of the year, the average having risen from 42,259,000 francs in 1906 to 63,269,000 francs in 1907. Dividends were impaired somewhat by the bad crops beginning in 1888, but were advanced to 25 francs (on 125 francs per share paid in) for 1897, to 30 francs for 1902, and finally to 45 francs for 1905, and 47.50 francs for 1907. The average dividend has been about 23 francs, and the amount thus disbursed for 1907 was 4,234,625 francs.<sup>1</sup>

Like other Oriental banks, the principal function of the Bank of Indo-China was that of an exchange bank, and permanent investments of European capital were hampered by the fall in the gold value of silver. Copper and zinc formed the primitive money of Annam, the principal province of Indo-China, and it was not until the French occupation that even the Mexican dollar became common. A decree of Vice-Admiral Bonard, April 10, 1862, making clean dollars and chopped dollars alike legal tender, had the effect of invoking Gresham's law and driving out all but the chopped dollars.<sup>2</sup> An attempt to introduce the French monetary system, made in 1864, entirely failed, although a few of the subsidiary coins remained in circulation. A second attempt, in 1878, to introduce 5-franc pieces, succeeded so far as the acceptance of the coins was concerned, but they were accepted as the equivalent of gold exchange on France and did not remain in local circulation.<sup>3</sup> After this experiment the piaster was accepted as the unit of Oriental coinage and subsidiary coins were struck to fill the void caused by the insufficiency of Mexican pieces. Not until 1885 were piasters

<sup>1</sup> Cf. Goumain-Cornille, 134, and *&conomiste Européen* May 29, 1908, XXXIII., 684.

<sup>2</sup> Arnaune", 335.

<sup>3</sup> Mexican piasters at this time were worth 4.75 francs in gold. The French 5-franc pieces were lighter, but for about three per cent, could be shipped to France, which made their exchange value 4.85 francs. De Tieu declares that the first issues of 5-franc pieces were insufficient to meet the demand for exchange on France.—La Question Monéttaire en Indo-Chine, 57.